

~~SECRET~~

20 JUN 1966

MEMORANDUM FOR THE RECORD

SUBJECT : Payment of MILSTRIP and FEDSTRIP Billings

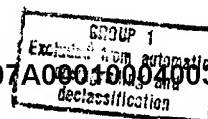
REFERENCE : GAO Manual for Guidance of Federal Agencies,
Title VII, Section 4230

1. Referenced publication indicates that billings received from GSA can be paid based on the theory of constructive delivery. This publication and its many ramifications is of particular interest at this time, and informal discussions were conducted during the week of 6 June 1966.

2. As the concept of paying FEDSTRIP and MILSTRIP billings based on "constructive delivery" appeared to have considerable merit, a meeting was held on 10 June 1966 in the Office of Logistics, Supply Division. In attendance at this meeting were: Messrs. [redacted] representing the Office of Logistics, and [redacted] representing the Office of Finance.

3. Agreement, in principle, was reached on the following points:

- a. Referenced publication provides the authority for the payment of billings from GSA, and other Government agencies, without audit provided the Agency's receiving system is soundly geared to insure receipt of materials and services paid for.
- b. The Office of Logistics has the capability and will accept the responsibility for insuring that all property paid for is actually received.
- c. Current financial property accounting procedures provide a sound system for verifying receipt of supplies and materials.
- d. The marking of billings to Agency authorizing and receiving documents could be dispensed with.



- a. The Office of Logistics currently takes action with respect to the non-delivery of items ordered and will accept the responsibility for requesting "credit" billings, if appropriate, and advising the Office of Finance accordingly.
- b. The Agency should pay all Government billings received prior to audit.
- c. The mechanics for implementing a procedure were discussed in general and it was the consensus of opinion that:
 - a. The current procedures prescribed by OFI 102, and OFI 71 would have to be modified.
 - b. That a joint Office of Finance and Office of Logistics instruction would have to be prepared.
 - c. That current Office of Computer Services programs would not have to be modified at this time.

[Redacted Signature Box]

Chief,
General Claims Branch
CSL/GF

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